

# Westinghouse Canada Limited/1977 Annual Report

AR41

*We see a perspective  
but there may be a perspective*



**Celebrating  
our 75th Year**





# Westinghouse Canada Limited/1977 Annual Report

For year ended December 31, 1977

## Financial Highlights

	1977	1976
Sales	\$430,962,000	\$454,644,000
Net income before extraordinary item	16,003,000	13,831,000
Net income	16,003,000	10,471,000
Expenditures for plant and equipment	7,912,000	7,747,000
Depreciation	5,107,000	5,239,000
Working capital	102,508,000	100,829,000
Per share:		
Net income before extraordinary item	\$5.96	\$5.16
Net income	\$5.96	\$3.91
Dividends	\$1.10	\$1.00

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### Cover Story

Since 1903, the people of Westinghouse Canada have engaged in the development and manufacture of countless products for the generation, transmission, distribution and use of electricity and other forms of energy.

The Company's 75-year cavalcade of progress is illustrated commencing on the fold-over of the back cover of this Report.

### Head Office

Hamilton, Ontario

### Transfer Agent and Registrar

National Trust Company, Limited  
Toronto, Ontario

### Auditors

Clarkson, Gordon & Co.  
Hamilton, Ontario

Si vous désirez recevoir un exemplaire français de ce rapport, veuillez écrire au Secrétaire, Westinghouse Canada Limitée, casier postal 510, Hamilton, Ontario, L8N 3K2

## Directors

D. I. W. Bruce, Vice President  
and Secretary  
Westinghouse Canada Limited  
Hamilton, Ont.

R. W. Campbell, Chairman and  
Chief Executive Officer  
PanCanadian Petroleum Limited  
Calgary, Alta.

D. D. Danforth, President  
Industry Products Company  
Westinghouse Electric Corporation  
Pittsburgh, Pa.

G. C. Hurlbert, President  
Power Systems Company  
Westinghouse Electric Corporation  
Pittsburgh, Pa.

A. T. Lambert, Chairman  
Toronto Dominion Bank  
Toronto, Ont.

D. C. Marrs, President and  
Chief Executive Officer  
Westinghouse Canada Limited  
Hamilton, Ont.

B. Matthews, Partner  
McCarthy and McCarthy  
Barristers and Solicitors  
Toronto, Ont.

T. J. Murrin, President  
Public Systems Company  
Westinghouse Electric Corporation  
Pittsburgh, Pa.

W. P. Pigott, President  
Pigott Construction Limited  
Hamilton, Ont.

F. H. Tyaack, Executive Vice President  
and Chief Operating Officer  
Westinghouse Canada Limited  
Hamilton, Ont.

F. C. Wallace, Company Director  
Toronto, Ont.

L. W. Yochum, Vice President, Finance  
Westinghouse Electric Corporation  
Pittsburgh, Pa.

## Officers

**President and Chief Executive Officer**  
D. C. Marrs

**Executive Vice President  
and Chief Operating Officer**  
F. H. Tyaack

### Vice Presidents

G. O. Bernhardt,  
Components and Construction Group

D. I. W. Bruce,  
Secretary

J. K. Carman,  
Marketing and Strategic Resources

J. W. Henley,  
Human Resources Planning

C. A. Kain,  
Industrial Products Group

W. J. McNicol,  
Power Systems Group

J. Nairn,  
WESCO-Westinghouse Sales and  
Distribution Company

E. B. Priestner,  
Treasurer

J. F. Ricketts,  
Finance and Administration

E. A. Taylor,  
Personnel



# President's Message



## Operations

The results for 1977 announced in my Preliminary Report showed that the company had a good year. Net income rose 15.7 per cent and represented \$5.96 per share compared with \$5.16 per share for 1976 before extraordinary item.

Imported materials cost more in 1977 due to the decline in the value of the Canadian dollar. This was softened by the statutory 3 per cent inventory allowance for the effects of inflation.

Sales of \$431 million included \$50.1 million for the household appliance business to June 30, 1977, the date the business was sold. Sales of \$455.0 million in 1976 included \$104.5 million of appliance sales for the entire year.

Sales of the continuing businesses were \$380.8 million, 8.6 per cent higher than the \$350 million for 1976. Results were favourably influenced by the growing strength of the Power Systems Group in electric utility and export markets. This strength offset weaknesses in other groups which continued to operate in soft industrial and construction markets throughout the year.

Export volume increased from \$50 million in 1976 to \$65 million in 1977 and accounted for 17 per cent of the sales of the continuing businesses. At year-end the unfilled order book was the highest in the company's history.

For the fifth consecutive year the

Total Cost Improvement Program exceeded its objectives. Energy-conservation goals came in for increased attention and programs related to this important cost and social consideration are being pursued aggressively.

In the light of the change the company would face following the sale of the household appliance business, a thorough reassessment of all staff and centralized-service expenses was undertaken. Budgets for 1977 for these departments were analyzed and developed using the Zero Base process. Briefly, this management process has as its starting point the basic premise that no function or activity in any budget is automatically funded for the coming year. Each budget centre output for which funding is requested must be described in detail and ranked in terms of its cost-benefit to the company. In this way, available resources may be applied where they can be most productive.

The Zero Base process proved effective for the company, and opportunities identified in the process requiring further development are still being pursued aggressively.

## Strategic Planning

Consistent application of the Strategic Planning Process over the past several years has assisted significantly in strengthening the basic businesses and in defining company goals. In the constantly-changing business environment in which we operate, this process now demands even greater attention. Its effective use will ensure that all of the strengths of Westinghouse are applied for profitable growth of this company.

## People Resources

Awareness of the importance of human resources to progress was seen in the scope of company programs dedicated to the well-being of its people. These programs ranged through employment practices, job enrichment, training, communications,

working conditions, promotion policies and employee benefits.

To stimulate greater creativity, the existing Inventor Award System was reviewed in depth and early in the new year a substantially improved system was introduced.

During the year, 32 collective agreements covering approximately 4,400 employees were negotiated. Employees at two locations elected to decertify unions as their representatives. These decertifications, combined with collective agreements that became the responsibility of the new owners of the household appliance business, brought to 29 the number between the company and various unions.

## Compensation and Benefits

Salaries and wages for time worked totalled \$111,383,117 and payments for vacations and specified holidays amounted to \$12,225,361. Payments made by the company to government programs—Canada/Quebec Pension Plans, Unemployment Insurance, Workmen's Compensation, Medicare—totalled \$6,826,690, and payments to company-sponsored employee pension plans came to \$8,123,000. Payments for employee-benefit programs such as group life insurance, disability benefit, supplementary medical care and education assistance totalled \$3,255,188.

## External Affairs

During 1977, we continued to express our views as a business entity and as a member of Canada's secondary manufacturing community. Senior management appeared before influential audiences to deliver major statements related to the future of the industry, to national energy needs and to other matters of vital concern to all Canadians.

Relations with government included direct consultation with both elected representatives and officials at all levels, as well as written briefs and participation in the affairs of local and national

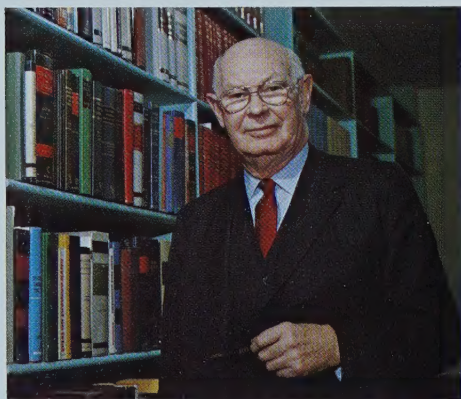


# President's Message

(continued)



J. F. Ricketts, Vice President,  
Finance and Administration (L);  
E. B. Priestner, Vice President and Treasurer



D. I. W. Bruce, Vice President  
and Secretary



J. W. Henley, Vice President,  
Human Resources Planning (L);  
E. A. Taylor, Vice President, Personnel

business and industry associations.

Community involvement took the form of socially-oriented programs of particular benefit to the public. Examples were corporate assistance to community planning and improvement, contributions to health and welfare, education and research, and the arts, and volunteer activities by many employees. Attention was directed to alleviating or preventing environmental deterioration and to the conservation of scarce resources.

## Directors and Officers

At a meeting of the Board of Directors on December 13, 1977 Mr. Franz H. Tyaack was elected a Director and Officer. His election as Executive Vice President and Chief Operating Officer became effective January 1, 1978. Mr. Tyaack was formerly a Vice President of Westinghouse Electric Corporation.

At the same meeting, the Board of Directors elected Mr. Robert W. Campbell, Chairman and Chief Executive Officer, PanCanadian Petroleum Limited, Calgary, Alta. a Director.

The Board also accepted with regret the resignation of Mr. John W. Simpson, a Director-Officer of Westinghouse Electric Corporation who had served as a Director of Westinghouse Canada Limited since 1968.

The election of Mr. Edwin A. Taylor as Vice President, Personnel became effective July 1, 1977, as did the election of Mr. John W. Henley as Vice President, Human Resources Planning. Accepted with regret was the resignation of Mr. William C. Luton who held the position of Vice President, Consumer Products Group for ten years. Mr. Luton joined Canadian Appliance Manufacturing Company Limited when that firm acquired our household appliance business.

## Appointments

Subsequent to December 31, 1977, Messrs. Neil A. Bryson, William Kostyshyn and Cecil F. MacNeil were

appointed Vice Presidents, effective February 22, 1978. They will continue as managers of the Transformer and Distribution Apparatus Division, the Turbine and Generator Division and the Switchgear and Control Division, respectively.

## Our 75th Year

The company entered its 75th year of operations on July 9, 1977. To mark this anniversary, a history of the company's affairs through this long period has been compiled and a copy accompanies this Annual Report. We hope this history will be of interest to shareholders, employees, customers and others who follow the fortunes of Westinghouse Canada.

As our company moves into its fourth quarter-century it is fitting that tribute be paid to all those who have contributed to its progress, particularly during the year 1977.

A stylized blue ink signature of D. C. Marrs.

D. C. Marrs  
President and Chief Executive Officer  
Westinghouse Canada Limited  
February 14, 1978



F. H. Tyaack,  
Executive Vice President  
and Chief Operating Officer



## Power Systems

Pursuing its mission of supplying high-technology products to help meet the energy needs of Canada and many other countries, the Power Systems Group continued to improve its performance. Significant gains in sales volume and in contribution to profit over 1976 are recorded in the Segment Income portion of this report.



W. J. McNicol, Vice President,  
Power Systems Group

Export business was up substantially as a result of shipments of gas turbine products to Colombia, Iran, U.S.A., Saudi Arabia and Libya. The Libyan order, a turnkey undertaking, involved the supply and installation of a gas turbine power station, substations and transmission system for a large desert irrigation project.

Ability to supply industrial steam turbines at accelerated deliveries earned a multi-million-dollar order from Saudi Arabia. Additional sales of steam turbine products were made to customers in the United States, Europe, South America and Australia.

Domestic shipments also increased over 1976 in all product lines except distribution transformers. Major orders for power transformers came from Hydro-Quebec, New Brunswick Electric Power Commission and Ontario Hydro. The latter order was the largest ever received for this product. Record orders for nuclear fuel were received for the Bruce and

Pickering nuclear generating stations of Ontario Hydro.

An important milestone was the successful testing of the first of a new generation of high-efficiency gas turbines—the company-developed Model CW-352. This energy-saving engine emerges as a strong contender for compressor-drive duties for pipeline and other service in Canada and around the world. Five units are already on order, two of them scheduled for installation in Western Canada and the other three in the United States. Development work on another new design, the Model CW-182, continued.

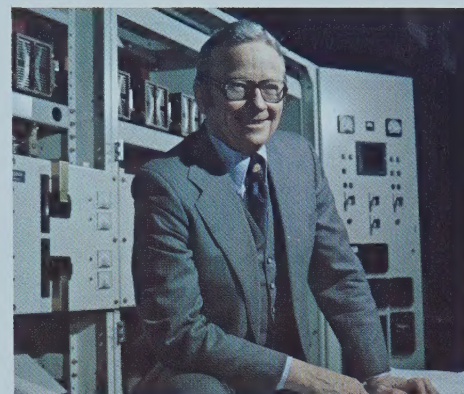
Several facility projects of importance were undertaken during 1977. Completion of the new gas turbine test facility at Hamilton made possible in-house testing of the performance of the CW-352 design. All zirconium product operations were consolidated at the Cobourg, Ont. plant where a further step in back integration of fuel sheathing was taken with the installation of pilgering equipment. The Port Hope, Ont. plant, now devoted exclusively to the fabrication of nuclear fuels, was improved by rearrangement of facilities. In London, Ont., a contract was let for an expansion of the distribution apparatus plant which will permit doubling its present production capacity.

## Industrial Products

Throughout 1977, the Industrial Products Group of divisions continued its strategies of meeting customer needs through the introduction of new and better products, and improving customer service through the addition of market-centred facilities. However, generally soft domestic markets resulted in lower sales and contribution to profit than in 1976.

Exports of motors, switchgear and control products continued to the United States, Brazil, Mexico, the Caribbean and to South American countries.

For the utility market, medium-



C. A. Kain, Vice President,  
Industrial Products Group

voltage isolated phase bus duct was introduced. Meter centres and new commercial Convectaire and base-board electric heaters made their appearance in the construction markets, along with modular overload relays and Pow-R-Breakers for the industrial markets.

New district manufacturing plants were added at Calgary, Alta. and Vancouver, B.C., together with apparatus service centres at St. Catharines and Kingston, Ont., Medicine Hat, Alta. and Cranbrook, B.C. The group now has 33 district locations across Canada providing either manufactured products or field service.

Continued upgrading of computerized management systems in all divisions improved stock controls and resulted in faster response to customer enquiries.

Significant investment was made in quality-improving, cost-effective facilities for vacuum pressure coil insulation, for automatic coil winders and automated plating lines, and the acquisition of the largest privately-owned mobile insulating-oil reclaimer in Canada.



# 1977 in Review

(continued)

## Components and Construction



G. O. Bernhardt, Vice President,  
Components and Construction Group

Operations of this group, where action was initiated in 1976 to realign and consolidate a number of product lines, continued to result in a loss. Although sales increased significantly and losses were reduced, substantial costs associated with the introduction of new production equipment together with intense price competition and a weak construction market worked against achieving profitability in 1977.

Restructuring of the lamp business into two functional components—Operations and Commercial—was undertaken. By year-end the new lamp manufacturing equipment at Trois-Rivières, Que. neared acceptable production levels.

A strong program of sales-promotion activities was conducted. To highlight new and exclusive industrial and commercial products, "Exciting Lighting" displays were presented across Canada. To spark retail sales, a series of promotions and contests was conducted. New full-colour packaging for retail lamps was introduced.

Introduction of the Ultralume fluorescent lamp brought enthusiastic customer response. This new light source provides the user with a level of "see-ability" never before achieved with a fluorescent unit and is ideally suited for store and office applications.

The recently-consolidated elec-

tronics operations in Burlington, Ont. saw an upturn in defence products activities. Significant orders entered included a multi-million-dollar contract for ground radar systems for the Canadian Department of National Defence.

This was the first order to be won by Westinghouse in the new capital program for the Canadian Armed Forces. During 1978, active negotiations will involve products and systems for new fighter aircraft and patrol frigates and for the replacement of early warning radars. Special airline reservation terminal and communications control equipment products were introduced in European and South American markets. At year-end, order backlog was double that at the end of 1976.

Customer concerns about rising costs of energy provided opportunities to promote sales of new energy-saving products. An example was a project for Public Works Canada involving 10,000 indoor fixtures with a portable plug-in feature secured for Cambridge, Ont. plant. Lighting specialists were provided with programmable calculators to assist them in determining quickly the best energy-efficient illumination to meet customer needs. In the retail market, approximately 1,000 outlets carried "do-it-yourself" fluorescent lighting kits for home improvement.

The outdoor lighting market showed signs of strength during the second half of 1977 after getting off to a slow start. Important orders obtained for Granby, Que. plant included the lighting for the Commonwealth Stadium in Edmonton, Alta. and for a section of the North Shore Autoroute in Quebec. Westinghouse Airport Systems Company was incorporated, and opened a plant in Burlington, Vermont. Emphasis on foreign markets continued with airport, flood and streetlighting products being shipped to 13 countries.

An expansion program was initiated, aimed at capitalizing on the

growing sales potential for heat pumps in the residential heating and central air conditioning market. Key elements included construction of new warehousing facilities at Oakville, Ont., broadening of the product line and strengthening of the sales department and dealer network. During the year, a showroom was opened in Toronto, Ont. to promote national sales of ASD Group open-office-concept furniture systems in a fast-growing new market.

"Experience in Motion" was a dynamic audio-visual presentation that focused the attention of major developers, architects, consultants and government officials on the technological capabilities of the Westinghouse elevator products and systems available for moving people safely and efficiently. In 1977, a prime marketing thrust was towards long-term maintenance business. There are now eight elevator business offices across Canada.

## Marketing and Strategic Resources



J. K. Carman, Vice President,  
Marketing and Strategic Resources

Highlights included the introduction of improved market analysis techniques, and customer-service and communications programs to reinforce awareness of the company's strengths. International sales effort and effective engineering and technical



consulting services helped improve company results.

## Wesco

Sales of WESCO—Westinghouse Sales and Distribution Company were up marginally in the weak industrial and construction markets of 1977, but the contribution to income was lower than in 1976.



J. Nairn, President,  
WESCO-Westinghouse Sales and  
Distribution Company

This business continued its strategy of moving into new market locations with small, but effective, sales centres. New centres opened in Abbotsford and Langley, B.C. and in Chicoutimi, Que.

WESCO has expanded into 14 new locations in the last five years and now has 40 outlets across Canada which provide Westinghouse Canada divisions with strong marketing, sales and distribution thrusts in regional construction and industrial markets.

## Locations

### Plants

Burlington, Ont.  
Burlington, Vt., U.S.A.  
Calgary, Alta.  
Cambridge, Ont.  
Cobourg, Ont.  
Etobicoke, Ont.  
Granby, Que.  
Hamilton, Ont. (3)  
London, Ont.  
Oakville, Ont.  
Port Hope, Ont.  
Richmond, B.C.  
Saint-Jean, Que. (2)  
Trois-Rivières, Que. (2)  
Varennnes, Que.

### Apparatus Service

Calgary, Alta.  
Cranbrook, B.C.  
Etobicoke, Ont.  
Dartmouth, N.S.  
Edmonton, Alta.  
Hamilton, Ont.  
Kingston, Ont.  
Kitchener, Ont.  
Medicine Hat, Alta.  
Moncton, N.B.  
Nanaimo, B.C.  
Prince George, B.C.  
Regina, Sask.  
Richmond, B.C.  
Sarnia, Ont.  
Saskatoon, Sask.  
Sept-Îles, Que.  
St. Catharines, Ont.  
Ste. Foy, Que.  
St. John's, Nfld.  
St. Laurent, Que.  
Sudbury, Ont.  
Swastika, Ont.  
Sydney, N.S.  
Thunder Bay, Ont.  
Windsor, Ont.  
Winnipeg, Man.

### Sales and Distribution

Abbotsford, B.C.  
Burnaby, B.C.  
Calgary, Alta.  
Charlesbourg, Que.  
Chicoutimi, Que.  
Corner Brook, Nfld.  
Don Mills, Ont.  
Dorval, Que.  
Edmonton, Alta.  
Etobicoke, Ont.  
Fredericton, N.B.  
Halifax, N.S.  
Hamilton, Ont.  
Kamloops, B.C.  
Kelowna, B.C.  
Kingston, Ont.  
Kitchener, Ont.  
Lachine, Que.  
Langley, B.C.  
LaSalle, Que.  
London, England  
London, Ont.  
Moncton, N.B.  
Montreal, Que.  
Nanaimo, B.C.  
Ottawa, Ont.  
Prince George, B.C.  
Red Deer, Alta.  
Regina, Sask.  
Rimouski, Que.  
Sarnia, Ont.  
Saskatoon, Sask.  
Sept-Îles, Que.  
Ste. Foy, Que.  
St. John's, Nfld.  
Sudbury, Ont.  
Surrey, B.C.  
Thunder Bay, Ont.  
Toronto, Ont.  
Trail, B.C.  
Trois-Rivières, Que.  
Vancouver, B.C.  
Vernon, B.C.  
Victoria, B.C.  
Windsor, Ont.  
Winnipeg, Man.



# Consolidated Statement of Financial Position

at December 31

(expressed in thousands)



	1977	1976
Current assets:		
Cash	\$ 268	\$ 156
Accounts receivable	77,895	75,792
Inventories (note 1)	82,429	90,739
Prepaid income taxes (note 4)	3,225	936
Other current assets	1,913	3,045
	165,730	170,668
Current liabilities:		
Bank indebtedness	1,655	981
Accounts payable and accrued charges	55,171	61,648
Income and other taxes payable	5,749	6,572
Current portion of long term debt	647	638
	63,222	69,839
Working capital	102,508	100,829
Plant and equipment (note 1)	47,520	52,849
Investments	715	693
Other assets	1,123	1,094
	\$151,866	\$155,465
Financed by:		
Long term debt (note 3)	\$ 17,984	\$ 33,666
Deferred income taxes (note 4)	10,374	11,342
Shareholders' equity—		
Common shares	14,947	14,947
Retained earnings	108,561	95,510
	123,508	110,457
	\$151,866	\$155,465

On behalf of the Board: D.C. Marrs, Director D.I.W. Bruce, Director

See accompanying notes to consolidated financial statements.



# Consolidated Statement of Changes in Financial Position

Years ended December 31

(expressed in thousands)



	1977	1976
Source of funds:		
Operations—		
Net income before extraordinary item	\$ 16,003	\$ 13,831
Depreciation	5,107	5,239
Deferred income taxes	(968)	1,237
Funds provided from operations	20,142	20,307
Sale of Household Appliances plant and equipment	7,896	
Proceeds from the issue of common shares		205
	28,038	20,512
Use of funds:		
Plant and equipment additions	7,912	7,747
Less net book value of disposals	238	235
	7,674	7,512
Repayment of long term debt	15,015	
Extraordinary item (note 2)		3,360
Dividends paid	2,952	2,678
Sinking fund requirements on long term debt	667	667
Increase (decrease) in other assets and investments	51	(326)
	26,359	13,891
Increase in working capital	1,679	6,621
Working capital beginning of year	100,829	94,208
Working capital end of year	\$102,508	\$100,829

See accompanying notes to consolidated financial statements.



# Consolidated Statement of Income and Retained Earnings

Years ended December 31

(expressed in thousands)



	1977	1976
Sales	\$430,962	\$454,644
Cost of sales excluding depreciation and interest	399,179	421,291
Depreciation	5,107	5,239
Interest expense less interest income of \$1,342 in 1977	1,072	3,415
Income taxes (note 4)—current	10,569	9,631
—deferred	(968)	1,237
	414,959	440,813
Net income before extraordinary item	16,003	13,831
Extraordinary item (note 2)		3,360
Net income	16,003	10,471
Retained earnings beginning of year	95,510	87,717
	111,513	98,188
Dividends paid	2,952	2,678
Retained earnings end of year used to finance operations	\$108,561	\$ 95,510
Per share:		
Net income before extraordinary item	\$5.96	\$5.16
Net income	\$5.96	\$3.91
Dividends	\$1.10	\$1.00

See accompanying notes to consolidated financial statements.



# Segment Income

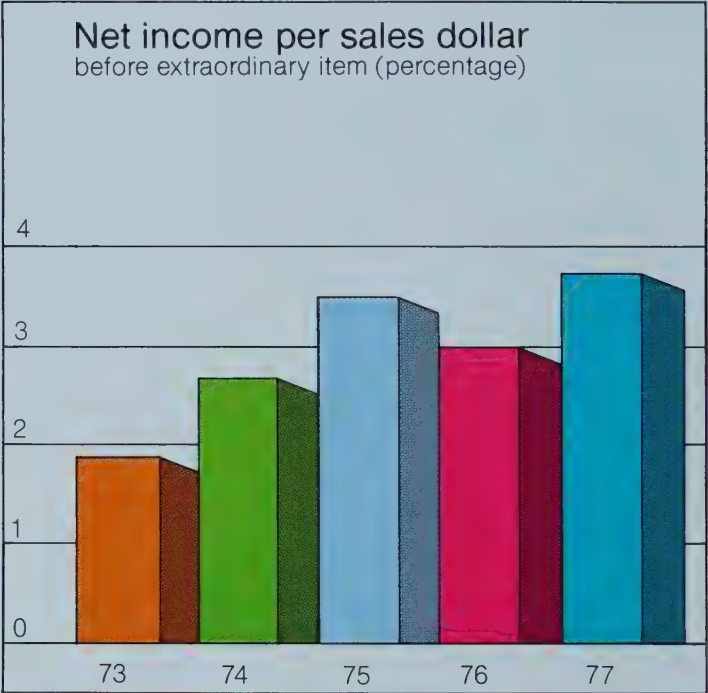
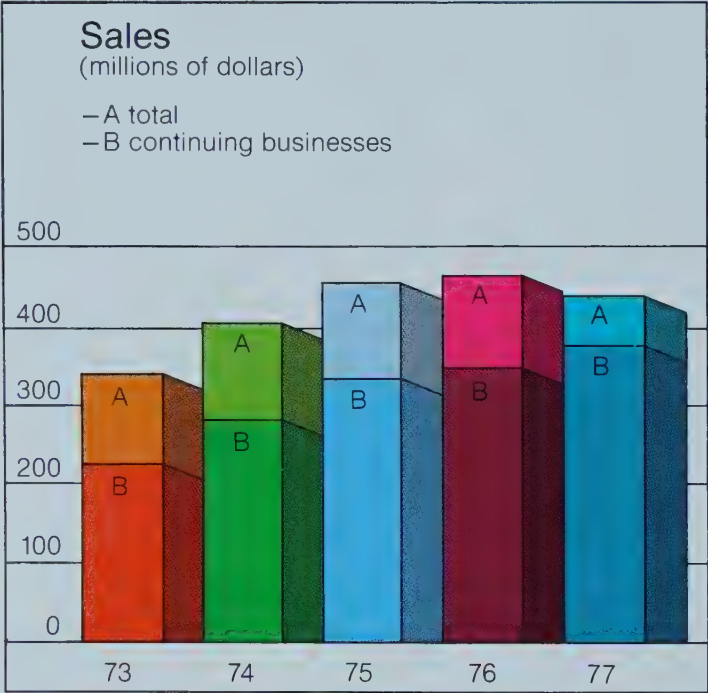
Years ended December 31  
(expressed in thousands)



	1977		1976	
	Sales	Income	Sales	Income
Power Systems	\$124,772	\$14,899	\$107,394	\$10,404
Industrial Products	111,464	13,147	112,754	16,980
Components and Construction	67,244	(1,485)	56,616	(2,126)
Wesco-Sales and Distribution Company	183,514	4,322	180,263	5,132
Household Appliances	50,120	—	104,476	2,009
	537,114	30,883	561,503	32,399
Elimination of inter-group sales	106,152		106,859	
	\$430,962		\$454,644	
Common costs, excluding interest		\$ 4,207		\$ 4,285
Interest expense less interest income of \$1,342 in 1977		1,072		3,415
Income taxes		9,601		10,868
		14,880		18,568
Net income before extraordinary item		\$16,003		\$13,831

See accompanying notes to consolidated financial statements.

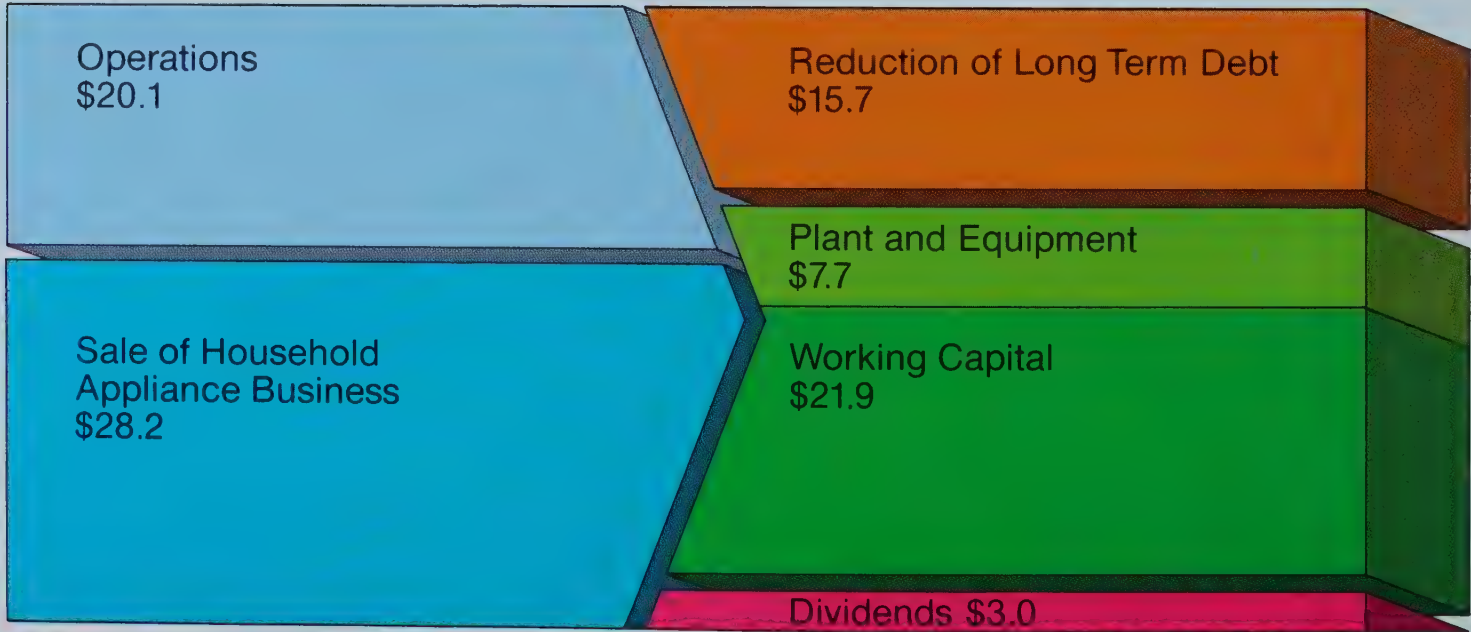




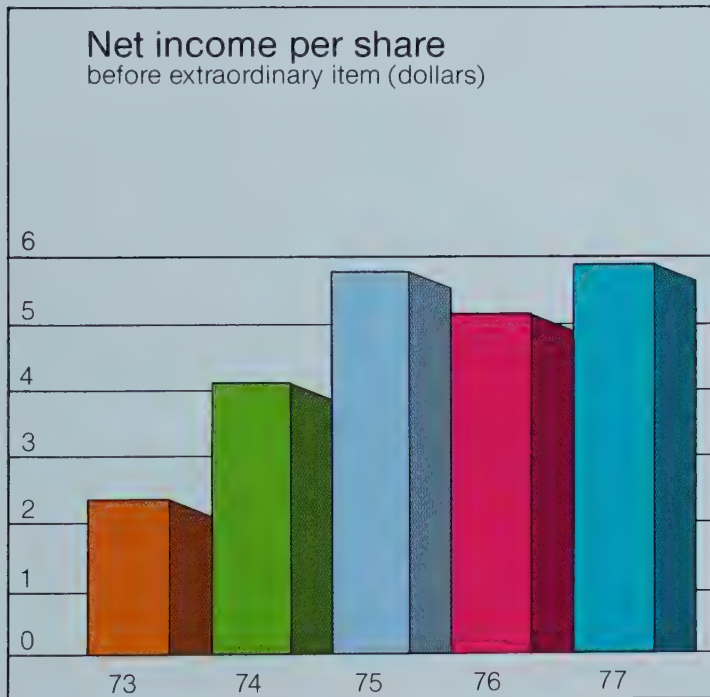
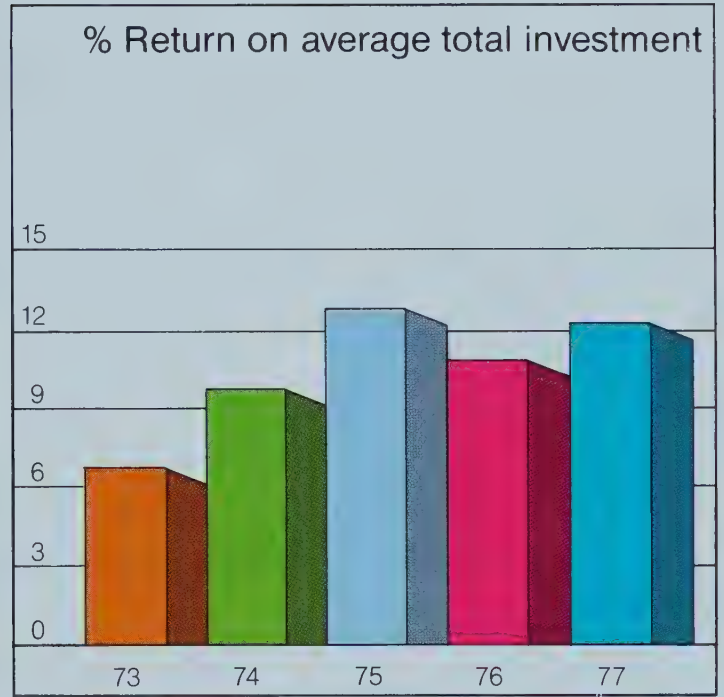
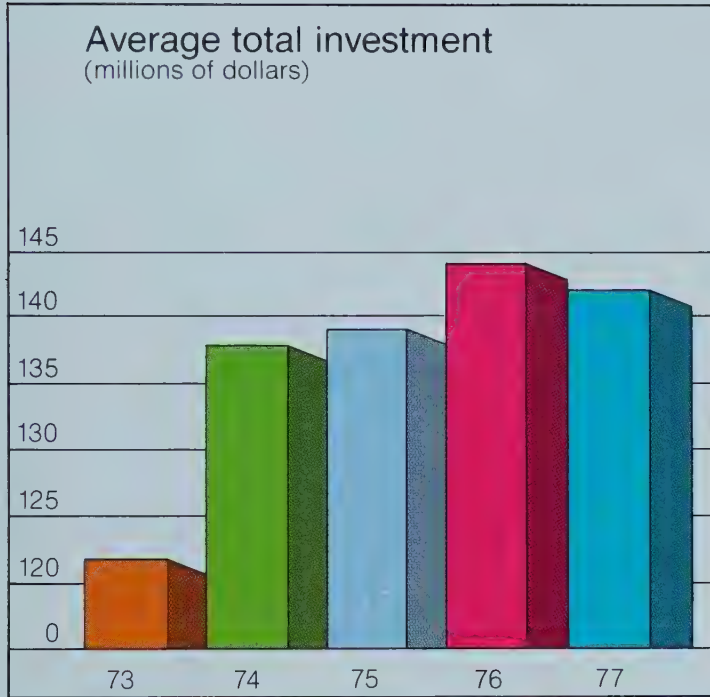
Funds generated from:

Were applied to:

(millions of dollars)







**Average Total Investment**—is the average of shareholders' equity and external borrowing during the year.

**Return on Average Total Investment**  
Return means net income before deducting interest expense, less applicable income taxes

# Effects of Inflation



The government of Ontario has made a constructive contribution to the debate on accounting for the effects of inflation through the work of the Ontario Committee on Inflation Accounting. In its report, the Committee recommended the presentation of a statement of the effects of inflation on funds available for distribution and expansion. The development of this statement is an attempt to describe how funds generated from operations should be allocated to ensure the

maintenance of the investment in the business during inflation. The Company has followed the Committee's recommendation in presenting this statement. In doing so, it hopes to encourage and advance discussion on this important subject.

This statement is not, by any means, the final word on assessing the impact of inflation on the basic business operation. The statement is only a step along the road to giving

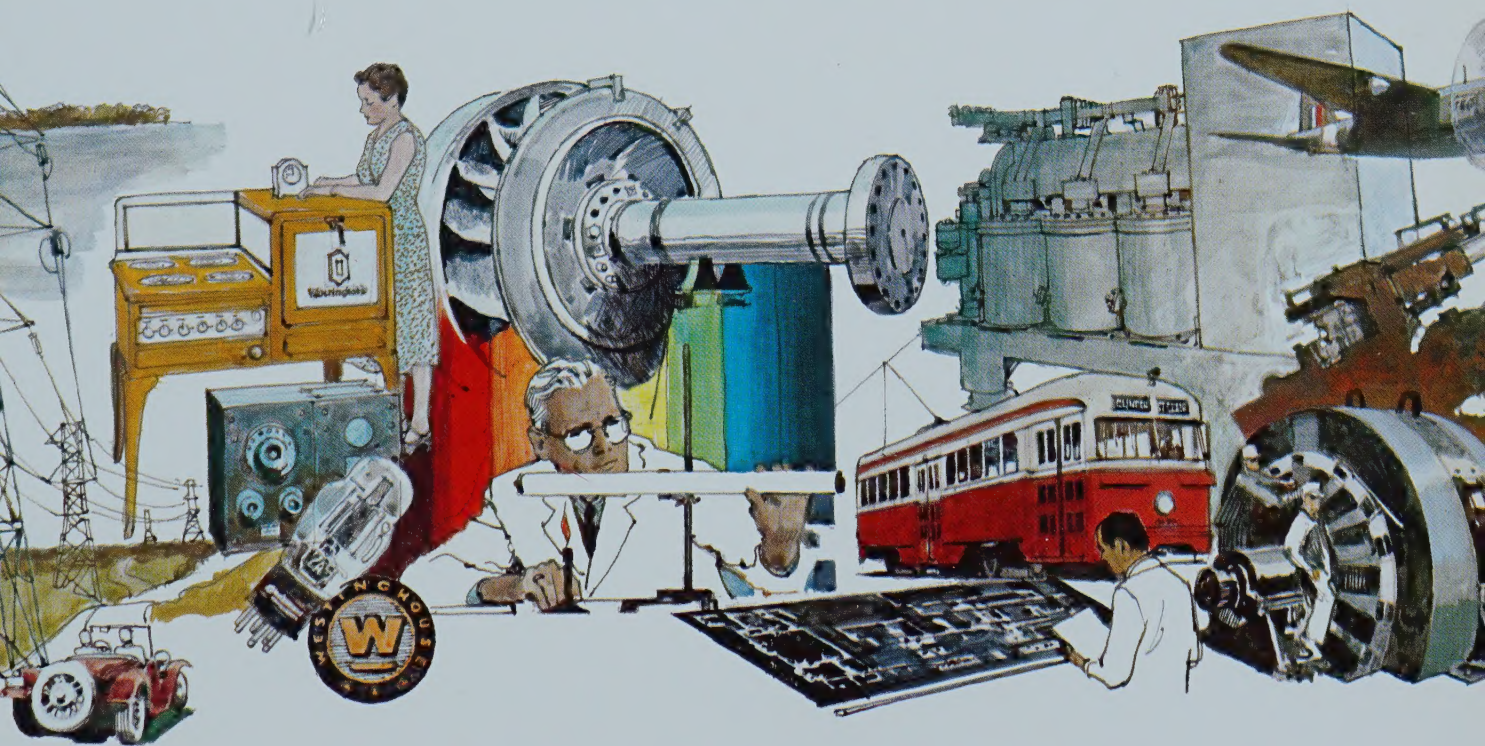
recognition to and evolving a better understanding of the effects of inflation. It suggests that of the \$16,003,000 1977 net income, \$10,318,000 was required to offset the effects of inflation and to maintain the Company's operating capacity, and thus, on a funds basis, only \$5,685,000 was available for distribution and expansion. Care must be exercised however in drawing conclusions from this statement.

## Statement of Effects of Inflation on Funds Available for Distribution and Expansion

(expressed in thousands)

Funds generated from operations (from statement of changes in financial position)		\$20,142
Funds required to finance original cost of productive assets (historical cost depreciation)		5,107
		15,035
Funds required to finance increased cost of maintaining operating capacity (Note 1)		
Inventories	\$10,000	
Plant, machinery and equipment	2,300	
	12,300	
Less additional funds which may be available from borrowings	2,950	9,350
Funds from operations available for distribution and expansion		\$ 5,685





# Five-year Highlights



	1977	1976	1975	1974	1973
<b>Operating Results</b>					
Sales—Continuing Businesses	\$380,842	\$350,168	\$341,740	\$286,861	\$232,587
Sales—Household Appliances	50,120	104,476	109,902	116,017	103,689
Total Sales	\$430,962	\$454,644	\$451,642	\$402,878	\$336,276
Income taxes	9,601	10,868	12,337	8,476	4,988
Net income (note A)					
— amount	16,003	13,831	15,703	10,789	6,349
— per dollar of sales	3.7¢	3.0¢	3.5¢	2.7¢	1.9¢
Funds provided from operations (note B)	20,142	20,307	21,401	18,285	12,568
<b>Per Share Statistics</b>					
Net income (note A)	5.96	5.16	5.90	4.07	2.41
Dividends	1.10	1.00	.50	.50	.50
Book value	46.03	41.17	38.39	33.14	30.06
<b>Financial Position</b>					
Working capital	102,508	100,829	94,208	78,938	55,907
Plant and equipment	47,520	52,849	50,576	49,992	48,939
Investments and other assets	1,838	1,787	2,113	3,726	2,231
	151,866	155,465	146,897	132,656	107,077
<b>Financed by:</b>					
Long term debt	17,984	33,666	34,333	35,000	20,000
Deferred income taxes	10,374	11,342	10,105	9,746	7,500
Shareholders' equity	123,508	110,457	102,459	87,910	79,577
Expenditures for plant and equipment	7,912	7,747	6,516	6,930	12,056
Common shares outstanding at year-end	2,683	2,683	2,669	2,653	2,647
Average number of employees	7,400	9,700	10,000	10,400	10,000

(Except for average number of employees and per share figures all amounts are expressed in thousands.  
Average number of employees exclude employees of Household Appliances in 1977.)

## Notes:

(A) In addition to the net income reported above, the company recorded extraordinary losses of \$3,360,000 in 1976 and

\$1,200,000 in 1974, relating to the disposal of the Household Appliance business. These represent losses of \$1.25 and 45¢ per share respectively.

(B) Funds provided from operations consist of net income before extraordinary gains and losses, plus depreciation and deferred income taxes in the year.



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